

**GOVERNMENT OF ANDHRA PRADESH  
A B S T R C T**

Industrial Promotion – Sick Industries – Extension of certain reliefs / benefits for revival of M/s. Sai Rayalaseema Paper Mills Limited, Godiparla Village, Kurnool District - (AAIFR Appeal No.166/99) as per the recommendations of 50<sup>th</sup> State Investment Promotion Board (SIPB) meeting held on 26.08.2009 – Orders – Issued.

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**INDUSTRIES & COMMERCE (IP) DEPARTMENT**

G.O.Rt.No. 663

Dated:31-10-2009  
Read the following:

1. G.O.Ms.No.319, Ind. & Com (I.A) Department, Dated 4.7.1989.
2. G.O.Ms.No.139, Ind. & Com (I.A) Department, Dated 6.7.1989.
3. AAIFR order Dated 20.7.2005 in Appeal No.166/99
4. From the Commissioner of Industries, A.P. Hyderabad Letter No.15-IPO (CDCC)-07, dated 18.2.2005.
5. G.O.Ms.No.144, Ind. & Com (I.A) Dept. Dated 18.5.2006.
6. From the Commissioner of Industries, A.P. Hyderabad Letter No.15/1/06/1165/1165/UP, Dated 25.8.2006.
7. G.O.Ms.No.244, Ind. & Com (IFR.I) Dept. Dated 7.9.2006.
8. From the Chairman and Managing Director, M/s. Sai Rayala-seema Paper Mills Ltd. representation Dated 24.10.2008.
9. Minutes of meeting of IFR Committee held on 11.12.2008.
10. From the Chairman and Managing Director, M/s. Sai Rayala-seema Paper Mills Ltd. representation Dated 18.6.2009.
11. Minutes of the 50<sup>th</sup> State Investment Promotion Board (SIPB) Meeting held on 26.08.2009.

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**ORDER:**

M/s. Sai Rayalaseema Paper Mills Limited was originally established in a joint venture with the Andhra Pradesh Industrial Development Corporation Limited and M/s.TGL Group of Kurnool and started its commercial operations in the year 1979. The company became sick in the year 1986 and closed down in the year 1989 and referred to the Board for Industrial and Financial Reconstruction (BIFR). The Board for Industrial and Financial Reconstruction has sanctioned rehabilitation scheme in the year 1991 in favour of M/s.Duncan Agros Limited and in the year 1992 in favour of M/s. Ballapur Industries Limited. The company is unable to run the industry even after sanction of the rehabilitation schemes sanctioned by the Board for Industrial and Financial Reconstruction. The Board for Industrial and Financial Reconstruction has sanctioned another rehabilitation scheme in the year 1995 changing the management in favour of B.V.Satya Sai Prasad & Associates. The new promoters also could not run the industry beyond 1998 even with the rehabilitation scheme sanctioned by the BIFR and was referred to the BIFR again. The BIFR has sanctioned a modified rehabilitation scheme with a direction to the banks to provide necessary working capital in order to make the company for continuous operations. The Bankers have filed an Appeal in the Appellate Authority for Industrial and Financial Reconstruction (AAIFR) in Appeal No.166/99 against the modified rehabilitation scheme of the BIFR and the same was stayed by the AAIFR in the year 2002.

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The AAIFR has issued certain modified orders to the rehabilitation scheme sanctioned by the BIFR on 02.08.1999.

2. The modified orders of the AAIFR were discussed in the State Investment Promotion Board (SIPB) meeting held on 13.12.2005 and based on the recommendations taken in the meeting, the Government have issued orders in the G.O.7<sup>th</sup> read above, extending certain reliefs / concessions in favour of M/s. Sai Rayalaseema Paper Mills Limited, with respect to the issues relating to the Departments of Forests, Revenue (CT), Revenue (LA) Departments and APTRANSCO.

3. The Chairman & Managing Director, M/s. Sai Rayalaseema Paper Mills Limited, in his letter 8<sup>th</sup> read above has requested the Government to extend the following for revival of the Paper Mill:

- 1) Waiver the royalty dues of Rs.6.43 crores payable to the Forest Department.
- 2) Supply of bamboo at Rs.595/-per ton for atleast eight years after starting the pulp mill.
- 3) Waiver of Sales Tax dues of Rs.9.37 crores.
- 4) Waiver of dues Rs.4.32 crores payable to APCPDCL.

4. The requests of the company were discussed in the State Investment Promotion Board [SIPB] meeting held on 26.08.2009 and after detailed deliberations; it was decided to extend the following benefits to the company:

- i.** waiver of all dues payable to Forest Department, Commercial Tax Department and the A.P. Central Power Distribution Corporation Limited amounting to Rs.20.12 crores.
- ii.** 50% reimbursement of VAT & CST for a period of 5 years treating it as new industrial unit.
- iii.** All other benefits as per Industrial Investment Promotion Policy [IIPP] 2005 -2010, which include:
  - a) 100% reimbursement of Stamp duty and transfer duty.
  - b) Power cost reimbursement @ Rs.0.75 paise per unit for 5 years from the Date of Commencement of Commercial Production (DCP).
  - c) 50% subsidy on the expenses incurred for quality certification, limited to Rs.1.00 Lakh.
  - d) 25% subsidy on cleaner production measures, limited to Rs.05.00 Lakhs.
  - e) 50% subsidy on the expenses incurred for patent registration, limited to Rs.5.00 Lakhs.

5. The Government, after careful consideration of the above recommendations of the State Investment Promotion Board (SIPB ), hereby order to extend the benefits in para (4) above to M/s.Sai Rayalaseema Paper Mills Limited. The Environment, Forest, Science & Technology(Forest) Department, Revenue (CT) Department and the Energy Department are requested to take immediate action on the above issues.

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6. The Commissioner of Industries, Andhra Pradesh, Hyderabad is requested to take further action in the matter accordingly.

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)**

**B. SAM BOB,  
PRINCIPAL SECRETARY TO GOVERNMENT AND  
COMMISSIONER FOR INDUSTRIAL PROMOTION**

To

The Commissioner of Industries, Andhra Pradesh, Hyderabad.

M/s Sai Rayalaseema Paper Mills Limited, Kurnool through the Commissioner of Industries, A.P. Hyderabad.

The Environment, Forest, Science & Technology(Forest) Department.

The Energy Department.

The Revenue (CT) Department.

The Revenue (LA) Department.

The Collector & District Magistrate, Kurnool District.

The Managing Director,

A.P.TRANSOCO., Vidyut Soudha, A.P.Hyderabad.

The Central Power Distribution Corporation Limited, A.P.Hyderabad.

The Commissioner of Commercial Taxes, A.P. Hyderabad.

The Accountant General, A.P., Hyderabad.

The Pay and Accounts Officer, A.P.Hyderabad.

The Director of Treasuries & Accounts, A.P.Hyderabad.

Copy to: The Principal Chief Conservator of Forests,

A.P.Tujaguda Complex, MJ Market, Hyderabad,

Copy to: PS. to Addl. Secy. to C.M.

Copy to: PS. to Min.(Major Industries).

Copy to: PS. to Prl. Secretary. to Govt. & CIP., Inds.&Com.Department.

Copy to: PS. to Secretary to Govt.,Inds.&Com.Department.

Copy to: SF/Sc.

**//FORWARDED BY ORDER//**

**SECTION OFFICER.**